This record is a partial extract of the original cable. The full text of the original cable is not available.

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UNCLAS SECTION 01 OF 02 HANOI 000309

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STATE FOR EAP/BCLTV STATE PASS TO USAID - CHAPLIN/ANE BANGKOK FOR USAID/RDM ASIA - BEANS

E.O. 12958: N/A

TAGS: ECON PREL EAID VM SUBJECT: VIETNAM: AMBASSADOR'S CALL ON THE MINISTER OF

- $\P1$. SUMMARY. On January 28, the Ambassador paid an introductory call on Minister of Home Affairs Do Quang Trung. Minister Trung described the history of his organization and its recent elevation from committee to ministerial status. He also explained his role in the GVN's efforts on public administrative reform. Trung expressed the GVN's commitment to continued economic reform and previewed for the Ambassador the GVN's upcoming report on progress since the initiation of reform in 1986. The Ambassador and Minister Trung discussed GVN efforts to combat corruption, and Trung highlighted several key areas of concern for Prime Minister Phan Van Khai. Trung anticipates that the Law on Associations will go before the National Assembly in 2006. The Minister expressed his appreciation for U.S. Government assistance and welcomed continued cooperation. END SUMMARY.
- 12. The Ambassador paid his introductory call on Minister of Home Affairs Do Quang Trung on January 28. The Ministry of Home Affairs (MOHA) is responsible for the administrative management of the government. Its key functions are to provide for the organization and procedures for government operations, oversee pubic administration reform (PAR), run the civil service and approve private associations and NGOs.
- ¶3. The Minister described the evolution of the Ministry. Ho Chi Minh had first created the Ministry of the Interior in 1945 with Vo Nguyen Giap as the first minister. Later, this organization was reorganized into the Ministry of Public Security, which assumed responsibility for security, and personnel management became the responsibility of the Government Committee on Personnel. The Committe elevated to ministerial status as MOHA in 2002. The Committee was Minister described his overall mandate as organizing the governmental structure at the central and local levels, managing the civic service in general, providing policy advice to the Prime Minister and the National Assembly and overseeing and approving the creation of NGOs.
- ${ t \underline{ 1}4}$. Minster Trung serves as the Secretariat and Deputy Chairman to the Government Steering Committee on Public Administration Reform (PAR) which the Prime Minister chairs. In assessing the pace of public administration reform, the Minster noted that this has proven to be a challenging area for Vietnam. He was proud that the number of Vietnamese ministries had been reduced in recent years, but more work remains. The government's ten year Master Plan (2001-2010) governs this process. While he observed that the next Five Year Plan (2006-2010), now being drafted, might modify this, Trung gave no specifics. As the economy moves from a state-to market-driven system, Vietnam has had to create institutions responsive to those changes, but still possessing "socialist tendencies," he noted. While much has been done, there is still more work, and U.S. Government assistance would be welcome, Trung emphasized.

Economic Reform Assessment

 $\underline{\ }$ 5. The Minister noted that the government is clearing a report on the progress of the economic reform process (' moi") begun in 1986. The report concludes that the government will maintain its strong commitment to doi moi as leadership sees this as the path to make Vietnam a modern industrial state by the year 2020. Comment: Although the Minister was aware of the need to create new regulatory bodies to allow the reforms to succeed, he did not provide any specifics of the government's organizational plans. End

 $\underline{\ \ \ }$ In response to the Ambassador's question regarding the government's efforts to deal with corruption, Minister Trung enumerated many areas that need to be addressed to achieve real progress in transparency and accountability. These include the underdeveloped institutional and legal framework and lack of experience and training for government officials, especially in ethics. In his view, it was essential to have an "accountability regime" and to separate state management organizations from running businesses. Getting control on corruption would also be part of broader State Owned Enterprise (SOE) reform, and would require further empowerment of the State Inspectorate and increased participation of citizens in scrutiny and oversight. Trung noted that earlier that same day, he had attended a meeting at which the Prime Minister expressed his resolve to make further progress on public administration reform and corruption.

Law on Associations

17. The Minister remarked that the law on associations and NGOs being drafted by MOHA would be presented to the National Assembly in 2006. He noted, however, that the Assembly already has a very heavy calendar and a number of would-be private organizations did not understand their role. After being set up, many of these NGOs approach local governments for financial support. Comment: Since any final law would touch on the roles of civil society and the state, developing this legislation has been slow and remains sensitive. MOHA currently governs private associations via a Decree on Association promulgated in December 2003. In one sign of progress, the Ministry recently approved the new Anti-Counterfeit Coalition group of foreign businesses, including a number of U.S. firms. End Comment.

USG Assistance

18. Expressing his appreciation for past U.S. Government assistance, particularly in the area of economic reform, Trung noted that one of the challenges he faced was developing a well-trained staff. Many MOHA staff members have participated in short-term postgraduate seminars at U.S. graduate schools such as the Graduate School of Public Administration of the University of Syracuse. The Ambassador responded by offering the Embassy's assistance in "enriching" such trips. He encouraged Minister Trung to inform the Embassy in advance of all travel to the United States by MOHA staff. The Ambassador also said that the Embassy would be on the lookout for visiting specialists who might be useful to the Ministry's work.

MARINE